

# Health and Life Insurance

Notes:

## Learner Outcomes

Outcome #1: Participants will be able to identify what life insurance is.

Outcome #2: Participants will be able to identify what health insurance is.

Outcome #3: Participants will be able to describe why people need health insurance.

## Target Audience

Teenagers

## Materials

1. Flip chart and markers or a dry-erase board and dry-erase markers
2. Name tags (downloaded for free from the Bank It website), one for each participant
3. A pen or pencil for each participant
4. Something to track time
5. Evaluation #2-PR-T for each participant
6. Bank It Notes #2-PR-T for each participant
7. Optional: PowerPoint Presentation PDF #2-PR-T
8. Optional: Handout #2-PR-T for each participant

## Timing

1 hour

## Want more background and training tips?

See the free, downloadable Bank It Leader's Guide at [www.bankit.com](http://www.bankit.com).

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## 1. Welcome and Overview (5 minutes)

Arrive early. Highly consider using the optional PowerPoint Presentation PDF and the optional Handout. Both will greatly enhance your sessions. If you're using the PowerPoint Presentation PDF, show the "Welcome to Bank It" slide as participants enter the room. Greet each participant individually and learn their names as they arrive. Have them create a name tag with their first name only.

Give participants a copy of the Bank It Notes #2-PR-T and either a pen or pencil. Have them sit in clusters of about four people. If possible, have them sit at tables. Then welcome the whole group to the session.

*Say: Welcome to Bank It. Bank It delivers real-world financial topics and tools for teens and parents that make it easier to understand, talk about, and manage your money. Bank It was developed by Capital One and Search Institute. I'm glad each one of you is here.*

*Today we will focus on health and life insurance, and we plan on meeting three goals. One: By the end of this session, you will be able to identify what life insurance is. Two: You will be able to identify what health insurance is. Three: You will be able to describe why people need health insurance.*

*Feel free to use your Bank It Notes to write what you learn as we go along. At the end of the session, we will take time to complete a short evaluation. (If this session is not the first session you're presenting to this group, consider briefly discussing the optional challenge that you may have given participants at the end of your previous session.)*

## 2. Activity: Yep or Nope (15 minutes)

*Say: Let's begin by talking about health insurance. Health insurance helps pay for medical expenses.*

On a flip chart, write "Health Insurance." Say (while writing these key points on a flip chart): *People need health insurance because: 1. People get sick. 2. Accidents happen. 3. It's important to have checkups to stay well. 4. Being uninsured puts you at great risk for potential money problems.*

Explain that you're going to do a quick activity. Have participants raise both arms in the air and hold them there while saying "yep" when they agree with a

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statement you make. Have them hold their arms out to their sides at shoulder length while saying “nope” if they disagree with a statement that you make.

Explain that you will say one statement at a time. (If you wish, have volunteers practice the two different responses for agreeing and disagreeing.)

When you’re ready to begin, say: *I’ve heard adults talk about health insurance.* (Give participants time to respond. Then decide if you wish to start a conversation about this statement or continue with other statements, mentioning them one at a time so that participants have time to respond.)

Other statements include: *I think having health insurance makes it easy to go to the doctor too often. Most adults think health insurance is too expensive. I think health insurance is confusing.*

*I think the health insurance system is broken. I think health insurance is set up to benefit insurance companies, not ordinary people. I think everyone should have affordable health insurance.*

Afterward, discuss the activity. Be mindful that some participants may have strong feelings about health insurance, particularly if they have a family member who’s had trouble with health insurance.

Once you finish the discussion, list on a flip chart some examples of what health insurance may cover. These include: 1. Well doctor visits. 2. Immunizations. 3. Doctor visits within a network. 4. Prescription drugs. 5. Emergencies. 6. Surgeries.

Ask: *Of these six items mentioned, which are most commonly included in a health insurance policy?* Star those items on the flip chart. (Typically, a policy would include numbers 3 through 6. Others also include numbers 1 and 2.)

### **3. Present: Health and Life Insurance (15 minutes)**

Ask: *Where do adults usually get health insurance?* (See what participants have to say. The most common place is through a job, although now the trend is for more individuals and families to get their own policy.)

Ask: *Why do you think it is better to get health insurance through an employer rather than on your own?* (See what participants have to say. Usually policies are cheaper if there is a group of people getting them versus individuals.)

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Ask: *Why is health insurance such a hot topic in the news today?* (See what participants have to say. Answers could include: Too many people are uninsured. The costs are too high for everyone. The costs are going up a lot each year.)

Say: *Health insurance is important because we all need protection in terms of our health. Arms break. We get sick. There are diseases, like cancer and heart disease, which are more likely to be dealt with well if they're caught early and treated.*

Another important type of insurance, besides health insurance, is life insurance. What is life insurance? (Give participants time to respond.) Say: *Life insurance is a way for adults to protect their loved ones when they die. Life insurance is important for four reasons.*

On a flip chart, write:

- Pay off funeral and burial expenses.
- Provide for your loved ones financially, particularly if you have a job and bring in income.
- Pay off a major debt, such as a mortgage (for a house), education expenses (like college).
- Pay for expenses while your family grieves and figures out what to do next.

Ask: *Why is talking about life insurance uncomfortable for most adults?* (Give participants time to respond. Answers may include: It makes us think about death. How do you decide how much a person is worth? I'm superstitious and think that if I get a life insurance policy, then I'm saying it's okay to die. I don't like to think about losing someone.)

Say: *There are two major types of life insurance: term life and cash value.* (Cash value includes whole life, variable life, universal life, and universal variable.) On a flip chart, make two columns. Label one "Term Life" and the other "Cash Value."

Talk about the differences between these two types of life insurance policies. Under Term Life, list: *Simplest. Least expensive. No cash value.* Under Cash Value, list: *More complex. More expensive. Earns cash.*

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*Say: A term life policy that's worth \$50,000 and is for 10 years means that if you die within that 10-year period (while you are making all of your premium payments), it will be worth \$50,000.*

*A cash-value policy tends to be a lifelong policy where cash grows in the account, as long as you're making all your payments.*

*What's very important to know about any insurance policy, whether it's a life insurance policy or a health insurance policy, is that you need to pay all of your premiums on time or early. If not, the insurance company can cancel your policy.*

*What is a premium? A premium is the cost of keeping a policy active. When you apply for a life insurance policy, the company will want to know your age (the younger you are, the cheaper your rates), if you have other insurance coverage, what type of insurance (term life or cash value), how long you want the policy, and how much coverage you want.*

*Maybe you want a \$10,000 policy just to cover funeral and burial costs. Or maybe you want a \$100,000 policy to cover more. The insurance company will then ask who you want for a beneficiary.*

*A beneficiary is a person who will receive the money upon your death. Usually you can designate primary and secondary beneficiaries. A primary beneficiary is the first person to get the money, such as a spouse, partner, or significant other. Secondary beneficiaries are named, such as children, in case the primary beneficiary has died before you die.*

If you plan to distribute the optional handout, use it at this time.

If you have time, consider having participants create a mock life insurance policy. Have them designate how much the policy would be worth. Have them decide who would be the primary and secondary beneficiaries. Then have them discuss with a partner what they decided and why.

#### **4. Discuss (10 minutes)**

*Say: Take some time to talk to the people near you. Talk to about two or three people. Take turns. I want you to do two things: 1. Say your first name. 2. Say*

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*what you have heard adults say about health insurance. Start with the person who lives the closest to this place. Then have each person take a turn.*

## 5. Review and Evaluate (10 minutes)

Review what was accomplished during this session. Ask: *What is health insurance?* (Answer: Health insurance pays for medical expenses.)

Ask: *Why do people need health insurance?* (Answers: 1. People get sick. 2. Accidents happen. 3. It's important to have checkups to stay well. 4. Being uninsured puts you at great risk for potential money problems.)

Ask: *What are examples of what health insurance may cover?* (Answers: 1. Well doctor visits. 2. Immunizations. 3. Doctor visits within a network. 4. Prescription drugs. 5. Emergencies. 6. Surgeries.)

Ask: *What is life insurance?* (Answer: Life insurance is a way to protect your loved ones upon your death.)

Ask: *Why do people need life insurance?* (Answers: Pay off funeral and burial expenses. Provide for your loved ones financially, particularly if you have a job and bring in income. Pay off a major debt, such as a mortgage [for a house], education expenses [like college]. Pay for expenses while your family grieves and figures out what to do next.)

Ask: *What is a beneficiary?* (Answer: A person who receives the money from your life insurance policy when you die.) At the end of the review, distribute Evaluation #2-PR-T to each participant.

Give participants time to fill out the evaluation. Collect all the evaluations after participants finish so you can find out the measurable outcomes for the session.

## 6. Close (5 minutes)

Say: *Making positive money choices includes protecting ourselves and our families. Health insurance helps pay for medical expenses from sickness and accidents. Life insurance helps provide for our loved ones after we die.*

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*While it may not be as fun and exciting to buy an insurance policy as it is to buy some new clothes, it's actually more important. Insurance is an important money decision to make when you're an adult. How do you plan to protect the health and lives of people you care about when you become an adult?*

Challenge participants to talk to family members about this topic, which is listed under the Talk about It section of their Bank It Notes. Thank everyone for coming.

## Optional Activities

**1. Distribute Handout #2-PR-T: Key Life Insurance Questions to Ask.** Walk through the questions on this handout. Explain key terms. Talk about why each question is important.

**2. Show the PowerPoint Presentation PDF #2-PR-T.** Use the presentation to accompany the one-hour session.

**3. Give Participants a Challenge.** Encourage participants to use the next week to talk with their family about health and life insurance.

Questions? Looking for more ideas? Visit [www.bankit.com](http://www.bankit.com) for answers and more resources.

## For More Information

- *National Standards in K–12 Personal Finance Education* (Washington, D.C., Jump\$tart Coalition for Personal Financial Literacy, 2007), standard 3 in the area of Risk Management and Insurance.
- *An Asset Builder's Guide to Youth and Money* by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).